

Mayor Nanette K. Johnston opened the work session at 5:32 p.m. on October 15, 2019, at City Hall located at 8880 Clark Avenue, Parkville. In attendance were aldermen Greg Plumb, Douglas Wylie, Brian Whitley, Philip Wassmer, Tina Welch, Dave Rittman, Robert Lock and Marc Sportsman.

The following staff was also present:

Joe Parente, City Administrator

Kevin Chrisman, Police Chief

Matthew Chapman, Finance/Human Resources Director

Alysen Abel, Public Works Director

Stephen Lachky, Community Development Director

Anna Mitchell, Assistant to the City Administrator

Chris Williams, City Attorney

Melissa McChesney, City Clerk

1. GENERAL AGENDA

A. 2020 City of Parkville Operating and Capital Budget

City Administrator Joe Parente provided an overview of the proposed 2020 budget; presentation attached as Exhibit A. He said that budget amendments for 2019 would be needed for the low water crossing project, for services for the Creekside funding agreements – which the City had already been reimbursed for the full amount – and for the flood cleanup. He noted that staff would have a better idea of the total hard costs associated with the flood restoration and the direct dollars for the City's portion would be offset by staff time, including benefits.

Parente provided an overview of the revenues that included the Creekside reimbursements, the Federal Emergency Management Agency (FEMA) grant money for the low water crossing project, the Creekside land sale in 2020 for the 35 acres of City-owned property and the Chapter 100 revenue from the Six at Park project. He noted that 2019 was the first year that court expenses exceeded the revenue and that some cities had closed courts and instead used the county system. Property taxes remained healthy because of new construction and with the Creekside residential developments he expected them to continue. Sales taxes were estimated to increase two percent and reservation fees were down because of the flooding in the parks.

He provided an overview of the expenditures, noting that they were higher than the 2019 budget because of the budget amendments already discussed. Not including those projects, expenditures were approximately \$327,000 under budget. The Capital Improvement Program (CIP) was higher than 2019, partly due to the Master Plan update, and debt service transfers were higher because of the Six at Park project and Creekside neighborhood improvement district (NID) debt service payments. Parente added that staff proposed a transfer of \$100,000 to the Emergency Reserve Fund in order to help build up the fund balance.

General Fund highlights included a proposed 2.5 percent wage increase. Discussion focused on the petition audit and a communication consultant. The General Fund balance helped fund projects for the following budget year. Parente provided an overview of the Emergency Reserve Fund balance and discussed the NID financing strategy.

Parente discussed debt service funds that included the Certificates of Participation for the lease purchase on the 2004 ballot, including city hall, that would expire in the near future. He noted that the City could ask voters to extend it to help pay for other projects. Staff anticipated issuing new State Revolving Fund debt to pay for future wastewater treatment facility improvements. He added that the River Park NID would be paid off in 2020 and he projected about \$150,000 would be left in the fund once it was paid off. That money could be used to reimburse the City for its costs and be transferred to the General Fund. In addition to these items, staff would need to request a second round of funding for the remainder of the Route 9 improvements from Highway 45 to Lakeview

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Drive which would be reimbursed through the 9 Highway Corridor Community Improvement District. Parente also said that staff was working on establishing a sewer assessment for new developments and homes built in the Brink Meyer Drainage NID to cover the cost to tap into the sewer system.

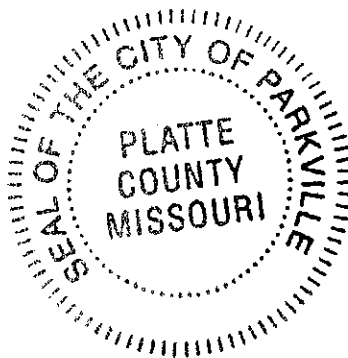
Discussion focused on personnel adjustments; increasing staff in the Police Department, parks and streets to provide services to the new Creekside development; the NID payment from the Creekside development; proposing a new sign on Highway 45 near the entrance to Riss Lake; and when to discuss specific budget items.

The work session ended at 6:45 p.m.

The work session minutes for October 15, 2019, having been read and considered by the Board of Aldermen, and having been found to be correct as written, were approved on this the fifth day of November 2019.

Submitted by:

Melissa McChesney
City Clerk Melissa McChesney



City of Parkville 2020 Budget

First Budget Work Session

October 15, 2019

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First Budget Work Session Topics

- 2019 General Fund Overview
 - 2019 Year-End Projections
 - 2019 Revenue Estimates
- 2020 Budget
 - Budgeted expenditures
 - Revenue Estimates
- General Fund and Reserve Fund Balance Target
- Debt Service and Minor Funds
- Outline of Key Decisions for 1st Work Session
- Review of Future Work Session Topics

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2019 General Fund Projections (Revenue Summary)

- 2019 starting balance (2018 carryover) was \$192,998 higher than expected (\$1.75 million).
- Overall, 2019 Revenues are expected to exceed projections.

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2019 General Fund Projections (Expenditures Summary)

- Expenses currently projected to be \$427,571 over budget.
 - Reimbursable Projects that were not budgeted
 - FEMA Low Water Crossing Grant (\$406,388)
 - Professional Services for Creekside Funding Agreement (\$173,983)
 - FEMA Flood Clean-up (\$175,000 – estimate)
 - After offset of revenue, expected to be the Normal - < 5% Budget Variance due to staff vacancies and conservative spending practices.
 - Projected Amount: \$327,900 under budget.
- 2019 projected year-end balance of \$1,798,126 is on target to be slightly higher than beginning fund balance of \$1,747,951.

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2020 General Fund Revenues

	2018 Actual	2019 Budget	2019 Projected	2020 Budget
Taxes	2,323,418	2,412,515	2,430,676	2,506,846
Licenses	57,943	58,500	61,740	59,000
Permits	425,574	294,470	319,968	344,550
Franchise Fees	890,574	907,000	874,306	884,000
Other Revenue	38,426	40,825	19,859	40,850
Court Revenue	154,101	180,000	127,439	150,000
Interest Income	7,919	8,400	7,309	8,000
Miscellaneous	106,695	52,200	634,095	956,621
Grants	6,101	9,250	430,407	9,250
Transfers	405,000	415,000	428,500	455,000
Total	4,415,750	4,378,160	5,334,299	5,414,117

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General Fund Expenses

	2018 Actual	2019 Budget	2019 Projected	2020 Budget
Administration	1,051,339	1,211,565	1,380,992	1,319,654
Police	1,119,196	1,382,804	1,306,839	1,489,146
Municipal Court	146,193	161,591	156,357	167,247
Public Works	221,013	246,742	258,681	272,808
Community Development	282,135	307,720	290,360	311,649
Streets	385,122	446,893	432,110	460,550
Parks	327,323	380,221	353,351	407,582
Nature Sanctuary	43,870	55,276	51,177	53,103
Information Technology	49,205	48,128	45,844	52,131
Public Information	15,370	21,010	18,577	19,110
Capital Outlay (CIP)	358,594	277,102	672,335	515,951
Transfers	317,500	317,500	317,500	922,822
Total	\$ 4,316,860	\$ 4,856,553	\$ 5,284,124	\$5,991,752

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Budget and Strategic Plan

Vision Statement:

Parkville will offer an exceptional quality of life for residents and visitors by embracing opportunities to enhance commerce and economic activity, while preserving the community's historic charm, attractive character and unique natural environments.

Critical Success Factors:

- Basic Services*
- Infrastructure*
- Economic Development*
- Parks*
- Finances*

Strategic Planning Report Identifies:

- Goal Areas*
- Strategies*
- Action Items*

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General Fund Highlights

Description	Estimated Budget Impact
2.5% wage increase (based on satisfactory performance)	\$57,747
LAGERS Retirement Tier Increase (L7 – 1.5% to L12 – 1.75%)	\$59,479
Transfer of funds from the Park Sales Tax Fund for a PT Project Mgr.	\$40,000
Increase employee health benefits (currently projected at 10%)	\$32,876
Includes funds for a Communication Consultant	\$13,500
Capital Outlay (CIP)	\$515,951
Capital Outlay includes Master Plan Update	\$150,000
Removed Emergency Reserve Transfer for NID Debt	(\$317,500)
Includes Debt Service Transfer that includes Creekside Revenue	\$422,822
Includes Projects Fund Transfer for Route 9 Sixth Street Project	\$400,000

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General Fund 2019 Budget to 2020 Budget

Category	2019 Budget	2020 Budget	Difference \$	Difference %
Personnel	2,874,682	2,988,896	114,214	4%
Insurance	500,211	583,855	83,645	17%
Utilities	135,720	132,970	(2,750)	-2%
Capital Outlay	277,726	516,575	238,849	86%
Maintenance	176,252	185,542	9,290	5%
Office Expenses	92,330	90,780	(1,550)	-2%
Professional Fees	317,700	357,500	39,800	13%
Services	138,232	140,212	1,980	1%
Other	26,100	72,500	46,400	178%
Transfers	317,500	922,822	505,322	191%

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2020 General Fund CIP *(preliminary)*

Department	Project	GF Impact
Administration	2 nd Floor Reception Area Safety Upgrade	\$7,000
Administration	Routine building maintenance for City buildings per reserve study (inside painting, Train Depot)	\$34,500
Administration	Building safety upgrades phase four	\$11,400
Police	Replace police patrol vehicle and equipment	\$44,549
Police	Radio Upgrades (various projects)	\$48,461
Public Works	6 th and Park Parking Lot Lease/Purchase	\$22,041
Public Works	Storm Sewer Evaluations and Repair; Bridge Engineering	\$85,000
Community Dev	Master Plan Update; Chapter 353 Study	\$160,000
IT	Computer Equipment Replacement Cycle (25%)	\$6,000
IT	Meeting and Agenda Management Software	\$6,000
Public Information	Replace Board Room Equipment - Upgrade to HD	25,500

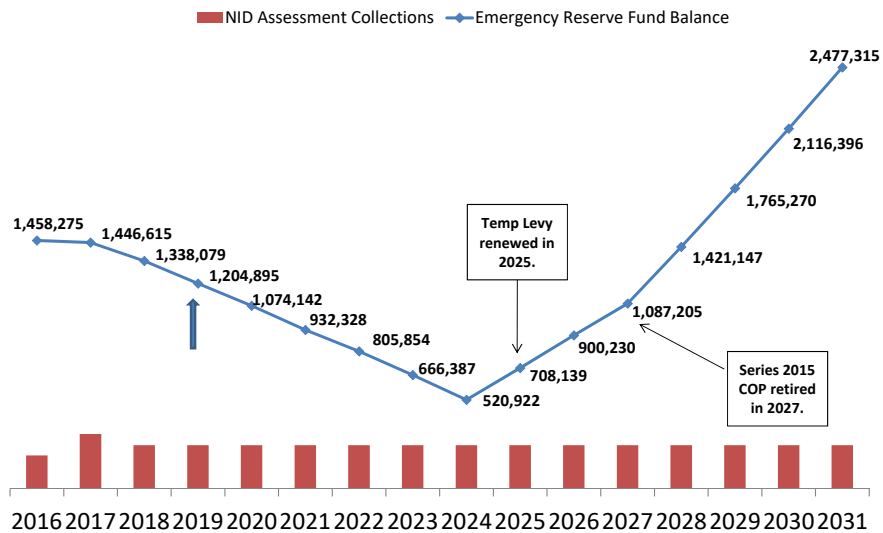
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GF Fund Balance Target for 2020 Budget

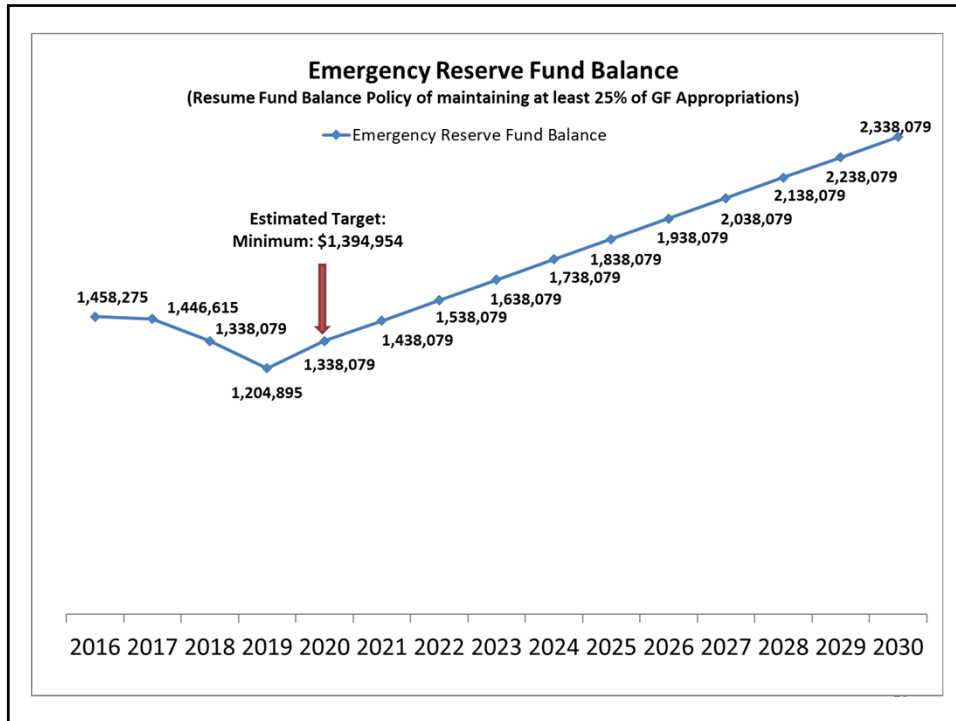
- Policy is to maintain 5-15% General Fund Balance. Estimated ending fund balance is \$1,220,490 or 20% of budget.
- We monitor fund balance closely as it drives decisions on capital outlay spending and transfers to the Emergency Reserve Fund.
 - Warning: this will be harder in future years unless we continue to outperform budget. 5 Year Capital Improvement Plan spending may be restricted.
- Need direction on a target so staff can make adjustments to satisfy the Board’s desires for 2020.

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Emergency Reserve Fund Balance (assuming NID Financing Strategy)



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Other Funds Being Reviewed in the 1st Work Session

- Debt Service Funds
- Minor Funds
 - Economic Development Fund
 - Fewson Fund
 - Parks Donation Fund
 - Nature Sanctuary Fund
 - Veteran’s Memorial Fund

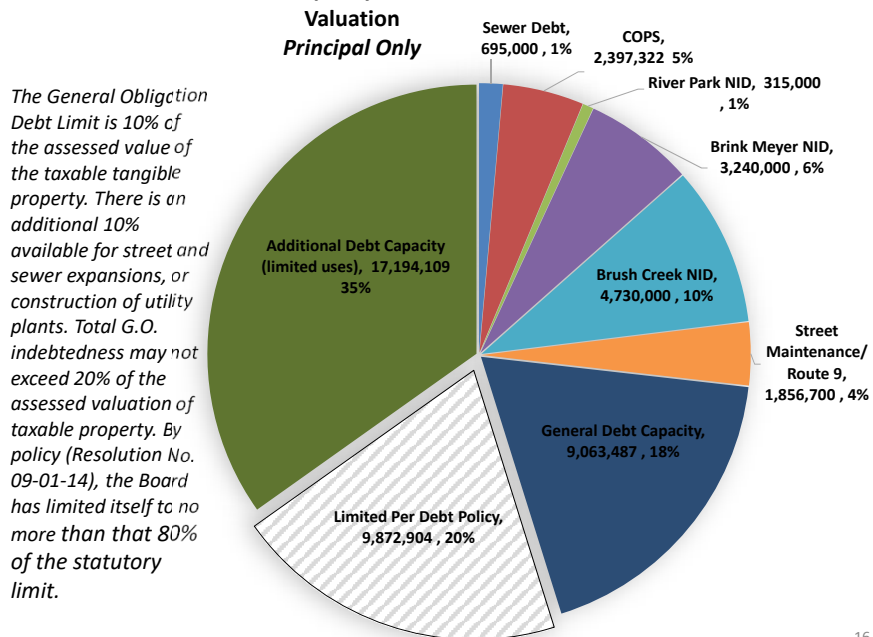
Debt Service Funds

Six Active Debt Funds:

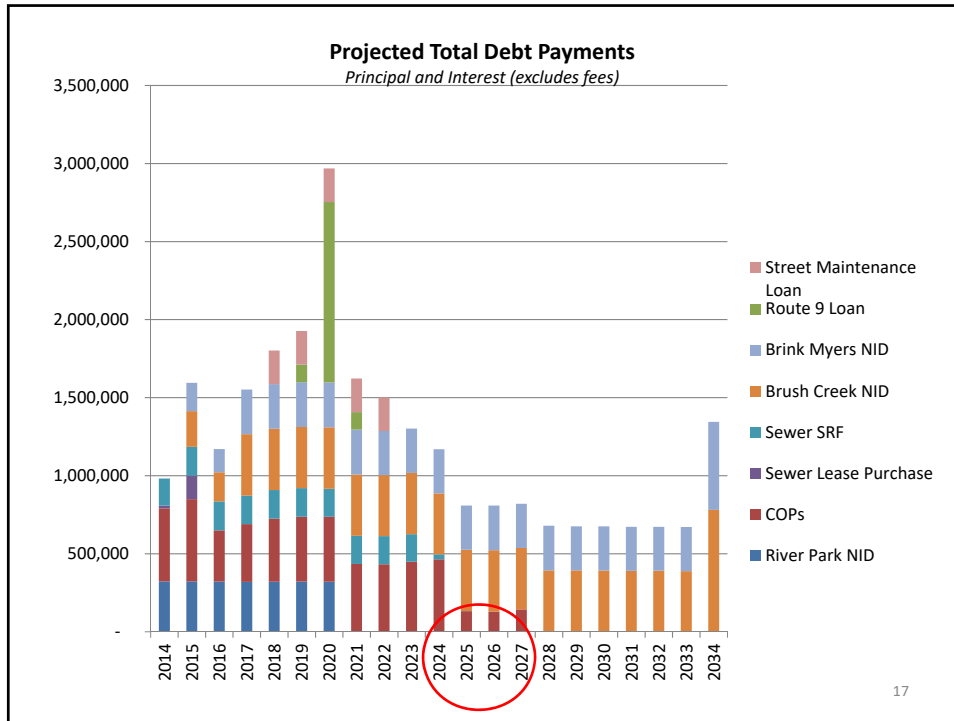
- 1. COPs Fund (22)** - 2015 Lease-Purchase refunded the 2006 Certificate of Participation (COPS), which includes the new City Hall and voter-approved projects from the 2004 ballot measure.
- 2. Sewer Debt Service Fund (30)** - State Revolving Loan (SRF) projects that are supported by sewer fees. Retires in 2025.
- 3. Neighborhood Improvement Districts (21, 23, 24)** – supported by assessments on benefitting properties
 1. River Park NID financed infrastructure in The National. Retires in 2020.
 2. Brush Creek NID financed sewer expansion. Retires in 2034.
 3. Brink Meyer NID financed road improvements. Retires in 2034.
- 4. 2017 Lease Purchase Agreement** - Debt financing for 2017 Street Projects
 1. Route 9 Improvement – Grant Antic. Retires in 2020. (Grant Funded)
 2. Route 9 Improvement – City. Retires in 2021. (CID Funded)
 3. Enhanced street maintenance program. Retires in 2022.

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Total Debt and Debt Capacity Based on 2019 Assessed



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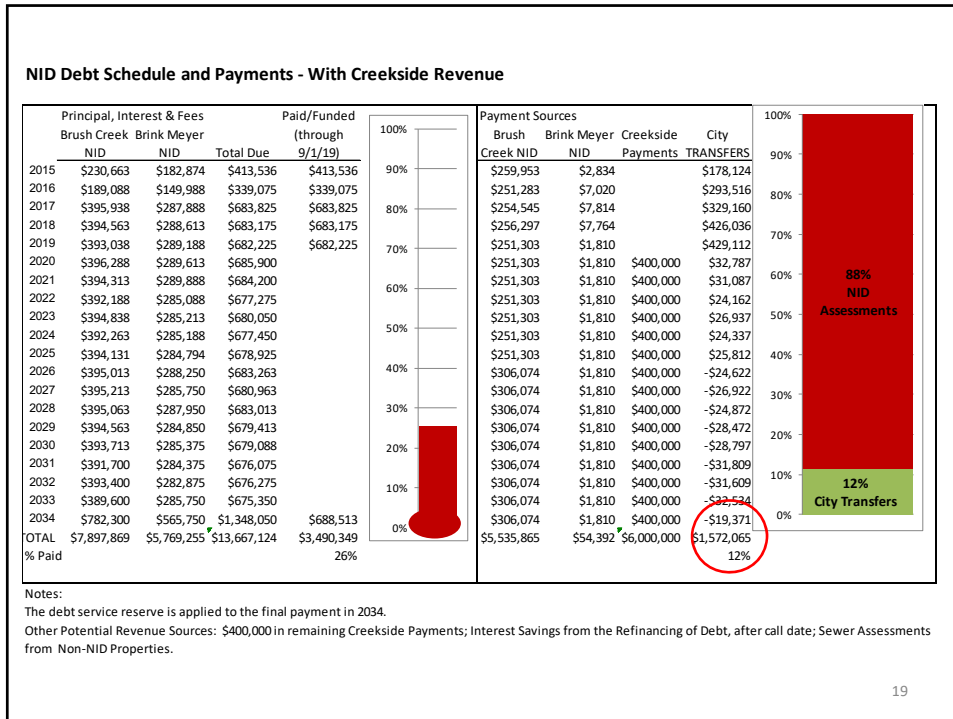
NID Debt Schedule and Payments

	Principal, Interest & Fees			Paid To Date (through 9/1/18)	100% 90% 80% 70% 60% 50% 40% 30% 20% 10% 0%	Payment Sources			100% 90% 80% 70% 60% 50% 40% 30% 20% 10% 0%
	Brush Creek NID	Brink Meyer NID	Total Due			Brush Creek NID	Brink Meyer NID	City TRANSFERS	
2015	\$230,663	\$182,874	\$413,536	\$413,536					
2016	\$189,088	\$149,988	\$339,075	\$339,075					
2017	\$395,938	\$287,888	\$683,825	\$683,825					
2018	\$394,563	\$288,613	\$683,175	\$683,175					
2019	\$393,038	\$289,188	\$682,225						
2020	\$396,288	\$289,613	\$685,900						
2021	\$394,313	\$289,888	\$684,200						
2022	\$392,188	\$285,088	\$677,275						
2023	\$394,838	\$285,213	\$680,050						
2024	\$392,263	\$285,188	\$677,450						
2025	\$394,131	\$284,794	\$678,925						
2026	\$395,013	\$288,250	\$683,263						
2027	\$395,213	\$285,750	\$680,963						
2028	\$395,063	\$287,950	\$683,013						
2029	\$394,563	\$284,850	\$679,413						
2030	\$393,713	\$285,375	\$679,088						
2031	\$391,700	\$284,375	\$676,075						
2032	\$393,400	\$282,875	\$676,275						
2033	\$389,600	\$285,750	\$675,350						
2034	\$782,300	\$565,750	\$1,348,050	\$688,513					
TOTAL	\$7,897,869	\$5,769,255	\$13,667,124	\$2,808,124					
% Paid				20.5%					

REMAINING PAYMENTS		
\$251,303	\$1,810	\$429,112
\$251,303	\$1,810	\$432,787
\$251,303	\$1,810	\$431,087
\$251,303	\$1,810	\$424,162
\$251,303	\$1,810	\$426,937
\$251,303	\$1,810	\$424,337
\$251,303	\$1,810	\$425,812 Temp Levy
\$251,303	\$1,810	\$430,150 Renewal?
\$251,303	\$1,810	\$427,850
\$251,303	\$1,810	\$429,900
\$251,303	\$1,810	\$426,300
\$251,303	\$1,810	\$425,975
\$251,303	\$1,810	\$422,962
\$251,303	\$1,810	\$423,162
\$251,303	\$1,810	\$422,237
\$251,303	\$1,810	\$1,094,937
\$4,020,848	\$28,960	\$7,497,705
34.8%	0.3%	64.9%

Note: The debt service reserve is applied for final payment in 2034.

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Next Steps

- ~~October 15 – Revenue Projections, General Fund, Debt Service~~
- October 28 – CIP, Parks Sales Tax Fund, Transportation Fund, miscellaneous follow-up
- November 5 – November 19 – Sewer Fund, miscellaneous follow-up
- November 19 – Summary review of final budget and miscellaneous follow-up
- December 3 – Adoption – 1st Reading
- December 17 – Adoption – 2nd Reading

Need Direction

1. Changes to revenue projections.
2. Proposed Personnel adjustments; Wage Increase, Lagers Enhancement.
3. Guidance on the General Fund target to help staff complete recommended CIP.
4. Other issues that came up this evening.